

## REPORT FOLLOW-UP

**AGENCY: DEPARTMENT OF AGRICULTURE**

On November 17, 2006, the Legislative Services Office released a *Management Report on Internal Control* for the Department of Agriculture for fiscal years 2003, 2004, and 2005. The Department was contacted on February 12, 2007, and this follow-up report addresses how the Department has responded to the three findings and recommendations contained in that report.

**STATUS OF RECOMMENDATIONS:**

**FINDING #1 – A loan program required duplicate applications and processes.** We recommended that the Soil Conservation Commission, which is administratively attached to the Department of Agriculture, work with the Department of Environmental Quality (DEQ) to resolve several duplicate processes related to soil conservation loan projects between these two entities. We also recommended that the Commission implement controls to ensure that documentation is available for all loan disbursements and repayments are made in accordance with the loan agreements.

**AUDIT FOLLOW-UP –** The Soil Conservation Commission is working with DEQ to eliminate the duplicate application processes and is developing policies and procedures to improve internal controls and compliance.

**STATUS: CLOSED**

**FINDING #2 – Rangeland development loans and grants were not approved in accordance with policies.** We recommended that the Soil Conservation Commission comply with policies and laws, apprise applicants of needed changes, and reconcile monthly the amounts reported in its loan accounting program to the amounts reported in STARS.

**AUDIT FOLLOW-UP –** The Commission is in the process of updating its loan and grant policies and procedures to help ensure that it is in compliance with policy and laws. Also, the Commission is completing monthly reconciliations of its loan accounting system to STARS.

**STATUS: CLOSED**

**FINDING #3 – The Department did not always comply with laws and rules, and had some internal control weaknesses.** We recommended that the Department make several changes to enhance internal controls and ensure compliance with laws and rules.

**AUDIT FOLLOW-UP –** The Department has made progress to improve internal controls and eliminate duplicate data entry in the Fresh Fruit and Vegetable program.

**STATUS: CLOSED**